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Tides in the West



*A brief history of the origin,
aims and objectives of the
Wheat Pool Movement in
Western Canada*

"The well-being of a people is like a tree; agriculture is its root, manufacturing and commerce are its branches and life; if the root is injured the leaves fall, the branches break away and the tree dies."—*Shou-Nung*, Chinese Emperor and Inventor of Agricultural Implements, 2800 B.C.

"Destroy your cities and in a year they will be rebuilt; but destroy your agriculture and grass will grow on the streets of your cities in a year."—Sir Horace Plunkett, Noted Organizer of Farm Producers' Co-operatives.

Published by
ALBERTA WHEAT POOL
CALGARY, ALBERTA

December, 1936

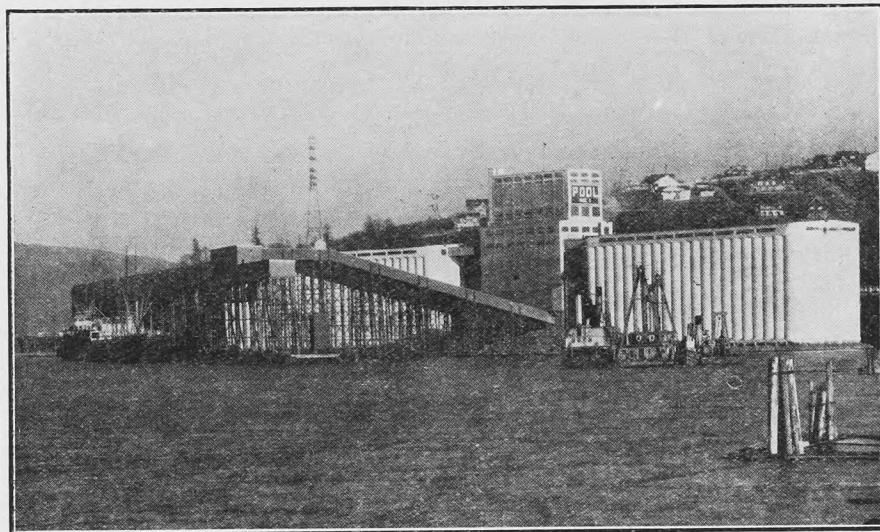
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VETERAN FARM LEADER



HENRY WISE WOOD, C.M.G., LL.D.
Chairman of Alberta Wheat Pool since its inception in 1923.

WORLD'S LARGEST GRAIN TERMINAL ELEVATOR
ON TIDEWATER



*Alberta Wheat Pool Terminal at Vancouver, British Columbia,
capacity 5,150,000 bushels.*

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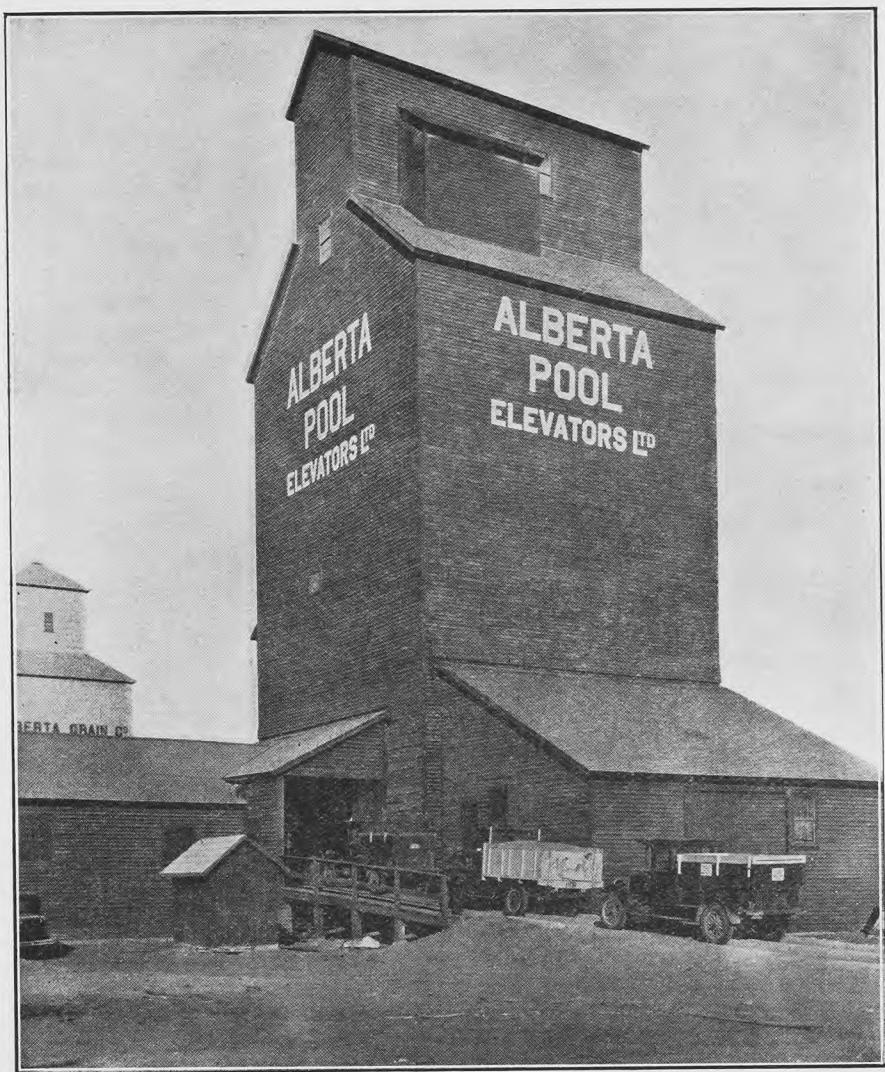
Foreword

THE beginnings of the Wheat Pool movement in Western Canada reach back to the pioneer years when the prairie sod first felt the plowshare. It was in that period that the germ of co-operative marketing developed among the farmers who were rapidly settling the western plains. Since then the co-operative marketing movement has made varying progress but always steadily following the objectives set out, the basis being the providing for the wheat producers of a measure of strength and security in the market place. The Wheat Pools at the present time may fairly be considered as the highest realization of the ambitions of the producers' co-operative movement in Western Canada. It is true that circumstances have compelled Pool organizations to alter the methods of marketing laid down by their founders, and that pooling on a contract basis, with payments for grain delivered extended over the marketing year, is no longer in effect. The Pools were forced to abandon pooling in the summer of 1931 because of the very low prices to which wheat had fallen, and also due to the losses entailed by the over-payment in 1929. But the Pools are operating their elevator systems (1) on a strictly grower-controlled, co-operative basis and using their strength and influence to protect and improve the position of the grain producers of Western Canada. In pursuit of this aim they were instrumental in laying the foundation for the formation of the 1935 Canadian Wheat Board and also for the fixing of the initial price of 87½c a bushel, basis One Northern in store at terminals, paid by the Board for the marketing of the 1935 crop.

(1) See Appendix page i for list of Pool elevators



*M. Dubitz, Hairy Hill, Alberta, one of the members of the Junior
Wheat Club organization, sponsored by Alberta
Wheat Pool*



One of 429 Alberta Pool elevators.

TIDES IN THE WEST

CHAPTER I.

Early Struggles in Western Canada

WEAT growing developed in Western Canada on an extensive scale following the completion of the Canadian Pacific Railway in 1885. Settlers from many countries of the world poured into the west and started to farm the fertile, treeless plains. As soon as wheat began to be produced in quantity the question of elevator facilities became important. The Canadian Pacific Railway, with a view to relieving the acute seasonal strain on its facilities, and itself lacking capital to build grain elevators on an extensive scale, offered free sites on its right of way to grain companies who would build standard elevators, and guaranteed to accept for shipment only grain loaded through these facilities. This placed the grain handling business in a monopoly position with the usual consequences—that is abuse of power and privileges. Farmers had no alternative but to accept the price, grade and dockage the grain companies offered, and the records of that period show that full advantage of the situation was taken to extract exorbitant profits.

The grain producers protested over the unfair treatment they received and ten years or more of discontent culminated in the appointment of a royal commission in 1898 to investigate the grain trade. The commission found that the farmers' objections were justified and recommended reforms to remove the cause of the discontent. The Manitoba Grain Act was passed in 1900 as a direct result of the commission's report, and this instructed the railways to permit the building of flat warehouses and to provide loading platforms at shipping points. The railways were also ordered to maintain equitable car distribution. A commissioner was appointed to see that the Act was lived up to but the legislation never was properly enforced, practically nullifying the Canadian government's intentions. Deliberate infraction of the act lay in the railway's apportionment of cars during the shipping season. The elevator companies were allotted the bulk of the grain cars and the farmers found that, having won the legal right to load their own grain, they were unable to exercise it because they could not secure freight cars from the railway.

The farmers continued their fight for fair treatment, and in 1901 they organized the Territorial Grain Growers' Association in what is now the Province of Saskatchewan. This association made efforts to improve the system of grain marketing and correct the apparent abuses, and in 1903 succeeded in getting the car distribution clause of the Manitoba Grain Act enforced. The private elevator companies, however, were not unseated from their mono-

poly position. With abundant capital and ample influence they proceeded to entrench themselves firmly throughout the prairies in order to maintain their profits in the grain handling business. By 1905 these companies had gained almost complete control of the grain trade at country points. Companies operated on the "line" basis, with country elevators scattered along the railway lines and head offices mostly in Winnipeg. Individual country elevators could not compete with the strength of the firmly entrenched line companies as the farmers soon found out. In order to meet strength with strength the farmers finally decided upon the organization of the Grain Growers' Grain Company, which was brought about in 1906. The new company purchased a seat on the Winnipeg Grain Exchange and instituted a commission business in the buying and selling of grain. It obtained grain from the farmers over loading platforms in the country and then sold through its own representative on the Winnipeg Grain Exchange. In this way the monopoly of the private grain companies was broken.

For a short while the Grain Growers' Grain Company met with remarkable success. The farmers shipped about one hundred cars of grain a week to it and were well pleased with the service they received. After only six weeks of successful operation, however, the new company was suspended from the trading privileges of the Winnipeg Grain Exchange upon a technicality. This was the refunding of a portion of the commission earnings to the grain shipper, a practice contrary to the rules and regulations of the exchange. The suspended company offered to meet the objections raised by the exchange but its application to be reinstated was refused. For a time it seemed that the ambitious efforts of the embattled farmers were defeated, but the Manitoba government was persuaded to act on behalf of the boycotted grain producers' organization and it threatened to cancel the provincial charter granted to the grain exchange. This resulted in the reinstatement of the farmers' company. However, it was compelled to abandon the patronage dividends.

Grain handling at country points still continued to be unsatisfactory to the farmers and a demand developed for the building of local elevators to serve the producers. The farmers first had the idea of government ownership of country elevators and the Manitoba government actually went into the field acquiring about 170 elevators during the years 1910 to 1912. This venture did not prove successful, and the Manitoba government leased the elevators to the Grain Growers' Grain Company in 1912.⁽¹⁾

⁽¹⁾ The Manitoba government lost \$1,500,000 in this venture, according to Hon. T. A. Crerar, in an address at Neepawa, Manitoba, on October 28, 1936.

In Saskatchewan a government commission made a study of the grain trade in 1910 and as a direct result of its report the Saskatchewan Co-operative Elevator Company was formed in 1911, with ownership and control of the organization placed in the farmers' hands. The Saskatchewan government loaned 85 per cent. of the necessary capital to build elevators, this to be paid back on the amortized plan over a period of twenty years, and guaranteed the company's bank borrowings.

In 1913-14 the Alberta Farmers' Co-operative Elevator Company was organized. The provincial government provided 85 per cent. of the necessary capital for the construction of elevators and guaranteed the company's bonds. The ownership and control of the new company was vested in the farmers' hands. For working capital the company depended on its financial and selling agent, the Grain Growers' Grain Company. An effort was made in 1915 to amalgamate the three farmer elevator companies. The result was the union in 1917 of the Alberta Farmers' Co-operative Elevator Company and the Grain Growers' Grain Company under the name of the United Grain Growers Limited. The Saskatchewan Co-operative Elevator Company continued to operate independently.

Steady progress was made by the two co-operative companies for the next several years until by 1923 they had acquired about 900 country elevators and terminal elevator facilities with a capacity of 30 million bushels, had 63,000 shareholders and handled about 25 per cent. of the total amount of grain marketed in Western Canada. These co-operative companies eliminated many of the abuses formerly prevalent in the grain trade and rendered valuable services to the producers. As a result of the co-operative companies' activities, farmers acquired a much wider knowledge of the grain business, and the commercial success of the two companies proved the ability of the farmers to attend to their own business and indicated the possibilities of co-operation on a larger scale. This paved the way for the next important step—the Wheat Pools—and the evolution of an extensive farmer-owned and controlled marketing system.



CHAPTER 2.

War and Post War Period

A DEMAND for some form of centralized selling grew out of the farmers' experiences with stable prices during, and immediately after, the Great War. In Canada, the United States, Australia and other countries, the marketing of wheat crops during the latter years of the war came under government control. On June 11th, 1917, the Canadian government appointed a Board of Grain Supervisors, on which the growers and the various grain interests were represented. The functions of the Board were to regulate the price of Canadian grain with a view to preventing any undue inflation or depreciation of value by speculation and to set a price that would insure a reasonable return to the grower. The Board set a price of \$2.40 a bushel which remained in effect until the end of August, 1917, when \$2.21 a bushel for One Northern at Fort William was finally agreed upon. In 1918 the crop was handled on the basis of \$2.24 a bushel, One Northern at Fort William. Faced with many difficulties the Board proved its ability to cope with the problems and rendered an account of its stewardship which met with hearty and widespread approval.

When the war ended there was a strong current of public opinion in favour of the continuance of government control. The governments of European nations had continued to dominate the wheat trade and the United States had fixed a price of \$2.26 a bushel. In July, 1919, the government formed the Canadian Wheat Board which was instructed to sell that year's crop at a price that would bring the greatest possible benefit to the Dominion as a whole. The stated objective for establishing the Board was, by controlling and centralizing sales, to protect Canada's position in the export market. The creation of the Board by the federal government was conceived to be necessary due to controlled and centralized buying on the part of the chief countries of import. The initial advance to the grower set by the Board for One Northern wheat in store at public terminal elevator at Fort William was \$2.15 a bushel. In addition to this, negotiable participation certificates were issued by the Board upon delivery of grain by the grower, which entitled the holder to a pro rata share in the cash balance remaining in the hands of the Board after the crop was marketed. These certificates were eventually redeemed on the basis of 48c a bushel, consisting of a 30c interim payment and an 18c final payment. This brought the total price received by the farmers up to \$2.63 a bushel for One Northern wheat at Fort William for the 1919 crop.

During the Great War, 1914-18, a tremendous demand for food arose and, with the bulk of the European able-bodied men in

the ranks of the various armies, overseas countries were the only available sources for the vast supplies required. The allied nations, and principally Great Britain, used every method of persuasion to induce increased production in the great food exporting nations of the world. Canada in particular responded to the call in splendid fashion. The wheat acreage of the west was more than doubled before the war ended, rising from 7,867,300 acres in 1910 to 16,-124,000 in 1918. By so doing western wheat producers made a real contribution to the success of the allied armies during the war, but they also created an economic problem for themselves and for Canada, which apparently has not yet been solved. The increased acreage was badly wanted in war time, but since then it has only gone to increase world wheat surpluses and depress world prices.

In the summer of 1920 the private grain trade sent a delegation to Ottawa, which urged upon the Dominion government the desirability of discontinuing the Wheat Board. The Canadian Council of Agriculture, representing the organized farmer bodies, forwarded a resolution to the government urging that the Board be continued. Their efforts were in vain. The Canadian Wheat Board ceased to accept wheat on August 16th, 1920, and open trading in the Winnipeg Grain Exchange was resumed. But from May, 1917, to August, 1920, the futures market operated for only three days.



CHAPTER 3.

Start of Wheat Pool Movement

THE drastic decline in wheat prices in the fall of 1920 caused widespread dissatisfaction among growers. Efforts were continued to induce the federal government to re-establish the Wheat Board but unavailingly. The government, however, did pass a law providing for a national wheat marketing agency which was to go into effect after the provinces enacted legislation to endow the Board with requisite powers to make its operation effective. This enabling legislation was passed by the governments of Alberta and Saskatchewan in 1922. Manitoba's legislature rejected the proposal and the plan fell through.

In the meantime the crops of 1921 and 1922 had been sold below cost of production and the farmers throughout the west were in a desperate plight. Hope of a government Board being appointed was definitely abandoned and the farmers undertook to arouse interest in the establishment of wheat pools owned and controlled by producers and operated on a purely co-operative basis. At the psychological moment Aaron Sapiro, who gained fame as an organizer of co-operative marketing projects in the United States, was brought to Alberta by The Edmonton Journal and The Calgary Herald. With vigor and conviction Mr. Sapiro preached the stirring gospel of self-help through co-operation. His words and energy were carried to every corner of the western provinces. Country and city business men, the press, government officials and individual wheat producers as well as the organized farm bodies, got enthusiastically behind the new proposal with the result that broad plans for wheat pool organizations got under way. In Alberta the organization was pushed forward so that the crop of 1923 could be handled by the new co-operative. In Saskatchewan and Manitoba certain difficulties arose which made it impossible for the Wheat Pool to handle the 1923 crop. But in the following year the new system of marketing was instituted in both these provinces.

The Alberta Wheat Pool contract was drawn up and canvassing for membership and acreage commenced on August 20th, 1923. On October 19th the trustees issued the following notice: "Notice is hereby given pursuant to Clause 28 of the agreement, between the grower and this association, that Monday, the 29th day of October, A.D. 1923, is the date which has been fixed on which Alberta Co-operative Wheat Producers Limited will commence operations." The report of the trustees to the meeting of delegates held in Calgary on November 14th and 15th showed that the Alberta Pool had a membership of 25,719 and the acreage under contract totalled 2,536,300.

Some delay was experienced in Saskatchewan and Manitoba in getting under way. In the former province by June 29th, 1924, the Pool membership stood at 46,509 and contracts covered 6,330,000 acres. In Manitoba the provincial Pool was launched on July 2nd, 1924, with contracts covering over 700,000 acres.

On July 29th, 1924, the Central Selling Agency of the provincial Wheat Pools, commonly known as the Canadian Wheat Pool, was organized at a meeting in Regina. Representatives of the boards of directors of the Alberta, Saskatchewan and Manitoba Wheat Pools met to consider the important matter of setting up a single agency which would market the entire wheat supply which would flow to the provincial Pools from their contract signers. A Dominion charter was secured incorporating the new agency as a capital stock co-operative company with the stock equally divided among the three provincial Pools. By the end of September, 1924, the Central Selling Agency was completely organized and ready for business at its Winnipeg headquarters.



CHAPTER 4.

Objectives of Wheat Pools

HAVING examined the earlier historical development of the Wheat Pool movement in Canada, it is now in order to consider its aims and objectives.⁽¹⁾

One of its avowed purposes was the instituting of the orderly marketing of grain under co-operative control and administration. The orderly marketing policy of the Wheat Pool has been frequently misinterpreted, but it was simply an attempt, by regulating the flow of wheat to world markets in accordance with the demands of those markets, to bring about a stabilized condition with a reasonable price throughout the year, in place of a fluctuating market with high prices at one time and low prices at another. The Canadian Wheat Pool's operations were never directed towards actually securing control of wheat prices, but the large volume of wheat handled placed it in a position where it did exercise a stabilizing effect upon the market and minimized price fluctuations which otherwise would have been more pronounced.

Economies of large scale operation was another Pool objective. The entire system was operating on a "service at cost" basis. Office setup, country and terminal elevator systems, sales administration, insurance and other agency connections, cargo superintendence and financing were all conducted with the greatest economy and the very lowest bushel cost.

The Wheat Pools' entrance into the elevator business was undertaken for the purpose of providing better and cheaper service to the grain producers and to give the grower an added measure of control over his grain. A reduction in spreads between various grades of grain and between car-lot and wagon-lot deliveries, and the low cost and reduced profits in grain handling and selling today, are evidence of the Pools' success in this respect. At the present time, largely due to the fact that powerful co-operatives dominate the field, grain handling and selling costs to the producer are narrower than ever before in any previous period in the history of elevator operation in Western Canada. In other lines of business

⁽¹⁾ Section 2 of the charter of the Canadian Co-operative Wheat Producers (Central Selling Agency): "To be an agricultural organization instituted for the purpose of mutual help, to serve as the central marketing association for the corporation. . . . to improve methods and reduce costs of marketing grain; to reduce speculation, manipulation and waste and all unnecessary transactions in such marketing; to increase consumption, build up new markets and develop uses for grain; to market same directly and with regularity so as to furnish it economically to the users thereof; and to preserve for the growers and the public their profits and economies."

where co-operatives are not influential the reverse has been the case.

Reflecting the attitude of many thousands of grain growers in Western Canada the Wheat Pools viewed the enormous amount of speculation involved at certain times in the grain exchange method of marketing as having drawbacks and weaknesses. The Pool considered that by collective action the farmers could carry their own price insurance, benefit if prices rose from the time the grain was delivered at the country point until it entered into consumption and, conversely, bear the loss if prices fell. It was considered that the established grain exchange system enabled and encouraged those with an inclination to gamble to deal in paper wheat, and, in conducting this speculation on a huge scale, prices were made to rise to inordinate heights and fall to lower depths because of the activities of the speculators. The Wheat Pools stood for a policy of direct contact between producers and consumers to avoid what is considered by many to be a useless, needless, unproductive expense in the huge scale speculation operations.

A further objective of the Wheat Pools was giving to the producer a voice in the marketing of the grain which he raised. This was accomplished by the Pool system of democratic government and control, which insured that the ultimate decision in matters of policy came from the contract signers on the farms of the west.⁽¹⁾

In order to develop the plan of direct selling to consumers overseas, the idea that had always been in the minds of the originators of the Wheat Pool, agencies were established in Great Britain and in European countries, whose business it was to enlarge the markets for Canadian wheat. The contact these agencies made with many buyers resulted in friendly relations and broadening trade. However, the grain trade (of the United Kingdom in particular) was hostile over this innovation and the plan was discontinued after John I. McFarland was made general manager in 1930.

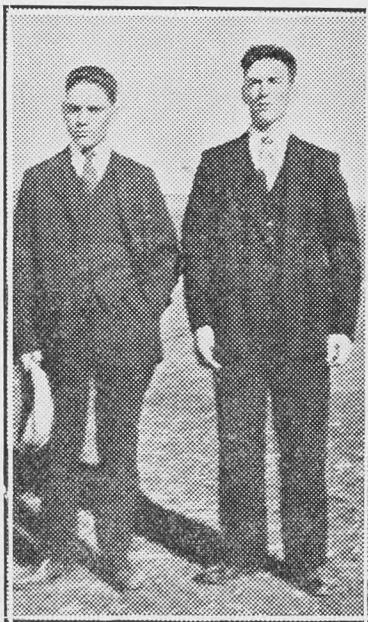
Because the Wheat Pools were actively aware of the importance of correct farm practices each one of the provincial organizations persistently directed its attention and resources towards the encouragement of high quality cereal production. This interest of the Pools was manifest in a number of directions, and perhaps their outstanding effort is seen in the work they have done among junior seed growers in the three Pool provinces. This work has been pursued vigorously by the Pools in co-operation with the

⁽¹⁾ In Alberta the province is divided into seven divisions for Wheat Pool purposes. Each division elects ten delegates and each group elect one director. Thus seven directors are chosen whose duty is to govern the operations of the organization.

departments of agriculture and provincial universities. The stated objectives of the junior seed growers are: to improve the quality of crops on members' farms and in their districts, to demonstrate the value of good seed and the value of good tillage practices, to educate junior farmers in the production and sale of improved seed, to bring together for discussion and demonstration those interested in production problems, to foster the co-operative spirit through club organization and to develop leadership in community projects. This project has been strikingly successful in improving the seed wheat of Western Canada.

The Wheat Pool organization has always taken a progressive attitude towards grain research. Close co-operation with the National Research Council at Ottawa resulted in valuable contributions to grain producers in the way of improved methods of drying damp and tough grades of wheat. Also important investigations were conducted into the milling qualities of spring threshed wheat and the effect of frost on the milling and baking qualities of wheat.

ALBERTA WHEAT CLUB WINNERS



William Maksymec and brother, Mike Maksymec, of Northern Valley, Alberta. The former won first prize in the standing crop competition of the Alberta Junior Wheat Clubs, in 1936, and the latter tied for second place with E. N. Scott, of Rochfort Bridge, Alberta.

CHAPTER 5.

Wheat Pool Operations---The 1929 Crisis

THE operation of the Pools from their formation up until the year 1929 was generally successful. Each passing year saw many thousands of new members enlisted in the ranks of these co-operative organizations. Year after year Pool salesmen disposed of enormous quantities of grain to buyers in dozens of countries and returned to the producers on the prairies satisfactory remuneration for their labor and skill. Over half of the total prairie wheat was under the Pools' control, the handling and sale of which was performed with efficiency and celerity. From 1923-24 to 1929-30 the Pools handled over a billion bushels of grain and distributed net proceeds to Pool members of \$1,299,983,404.98. Besides this huge amount distributed as the proceeds of grain sales, over six million dollars was paid out as elevator patronage dividends after allowing for depreciation on all elevator properties and proper charges. The Pools' method of payment provided for the advance to the farmers of a conservative initial sum per bushel at the time the wheat was delivered, with a subsequent interim payment during the crop year as the grain was sold and a final clean-up payment made after the crop year closed and the season's operations were completed. The method of payment spread the farmer's income over the year and proved satisfactory to the majority of the Pool members. With the season of 1928-29, the fifth year of combined operation, the three western Pool organizations had 140,779 Wheat Pool members and 67,532 coarse grain Pool members. Of the record wheat crop of 1928 of 560 million bushels of wheat, the Canadian Pool handled approximately one quarter of a billion bushels. As Canada contributed in this peak year 42 per cent. of the total international shipments of wheat and flour, the Pool was thus responsible for fully one-fifth of the greatest amount of wheat that had ever moved into international trade in a single year.

The crop of 1929 was devastated by drouth throughout the whole of Western Canada. This aroused speculative fever which shot grain prices to a high level and prospects indicated a strong price situation throughout the market year. The crop year 1928-29 had seen international wheat shipments reach a total of more than 943 million bushels of which North America had furnished 560 million and Canada the unprecedented total of 406 million. Then came the major break in prices of stocks on Wall Street, New York, in October, 1929, heralding the great depression which caused a drastic decline in the price of commodities, stocks, bonds and values of all kinds, and a terrific disruption in the economic life of the entire world. Although little dreamed of then, wheat was

to reach its lowest price in four hundred years during the course of the depression! (1)

As has been previously explained, the Wheat Pools' operations provided for an initial payment fixed at a conservative amount and issued upon delivery of the grain to country elevators, this to be followed by subsequent payments as the wheat was disposed of. In the summer of 1929 the initial payment for the crop then on the threshold of harvest was fixed at \$1.00 a bushel, considered at that time reasonably safe. No apprehension was felt until New York experienced the first sharp reaction on that historic day, October 25th, 1929, when wheat values were shaken throughout the world. A steady but persistent decline then commenced and the Pool was faced with the dilemma of having accepted millions of bushels of wheat from members on the basis of \$1.00 a bushel initial payment and the downward price trend rapidly approaching that figure. The money for the initial payment had been borrowed from the banks on a 15 per cent. margin, and those institutions became much concerned as wheat values encroached on the margin of safety.

The crisis came in January, 1930. The banks threatened to close out the Pools, and an appeal was made to the provincial governments of Manitoba, Saskatchewan and Alberta for assistance. The premiers of these provinces carefully canvassed the situation and decided to support the Pools with the financial backing of their provinces. Then followed six months of heart-breaking suspense, at the conclusion of which it was found sales of wheat during the season had netted an average of 85c a bushel, basis One Northern, while the initial payment had been \$1.00 on the same basis. The Pool found itself short some \$22,217,000. The provincial governments guaranteed this amount to the banks, the proportion among the provinces being approximately: Alberta \$5,500,000, Saskatchewan \$13,300,000 and Manitoba \$3,375,000. At subsequent sessions of their legislatures the three governments passed the necessary legislation validating the action taken and also the terms governing the repayment by the provincial Pools. Each government issued bonds to the banks covering the deficiency of its own provincial Pool, and in return took bonds from the Pool in its province. The bonds were repayable in twenty years and carried interest at 4½ per cent. The price to the banks agreed upon was \$98 for each \$100 bond.

In assuming the task of endeavoring to maintain wheat prices in Canada the Pool undertook a responsibility which was assumed by governments in other countries throughout the world. The Canadian government was thus relieved to a considerable extent of the expense and trouble involved in such an undertaking. In fact Canada's contribution financially towards aiding her wheat producers during the depression has been comparatively nominal.

(1) Reference: The World Wheat Problem published by Canadian Government, January 5, 1934, page 3.

CHAPTER 6.

Pools on Troubled Seas

THE Pool movement fell under a storm of criticism almost nation-wide following the overpayment for 1929 deliveries.

The selling agency was accused of trying to hold up the world for unjustly high prices; refusing to sell to Britain when an offer was made by Hon. J. H. Thomas, British cabinet minister, for a large volume of wheat; antagonizing European nations so that they, in self-defence, increased their wheat acreage; antagonizing the grain trade of the world so that the price decline was undertaken in retaliation; holding too large a wheat carryover⁽¹⁾, and various other offences and shortcomings. A. J. McPhail, president of the Canadian Wheat Pool, replied that the organization had never had any exaggerated idea of prices but simply did not want to see them go to ridiculously low levels, and denied vigorously that any attempt had been made to hold up Europe for extortionate prices. (2) Hon. J. H. Thomas, he said, had never made an offer to purchase any Canadian wheat, but a suggested trade of British coal for Pool wheat had fallen down due to obstructionist action on the part of Canadian coal interests. Mr. Thomas made a statement substantiating what Mr. McPhail had said. Subsequent events

(1) Pool's Proportion of Total Canadian Carryover 1925-26—1929-30

July 31st	Total Carryover Canadian Wheat Millions of Bushels	Unsold Pool Wheat Millions of Bushels	Grain Trade Percentage of Carryover	Pool Percentage of Carryover	Percentage of crop marketed by Pool
1926.....	39	20	48.6	51.4	52.2
1927.....	53	39	26.4	73.6	53.1
1928.....	92	12	86.5	13.5	51.1
1929.....	127	52	59.0	41.0	51.3
1930.....	130	67	48.6	51.4	51.3
Total.....	441	190			
Percentage for five years.....			53.8	46.2	51.8

(2) "From January, 1929, on, we were faced with the most severe kind of competition from the pressure of Argentinian wheat on the market. In spite of that very strong competition, and in spite of the fact that during the winter months last year, our Winnipeg prices were unduly high as compared with Argentine, we had one hundred and seventy-three, or four, million bushels of wheat sold at the first of May out of a total to sell for that year of two hundred and fifty-five million."

"When the big break in prices came in May to as low as \$1.06 and \$1.08 a bushel, we decided to take a definite stand against what we considered a "bear raid" on the market. We bought between four and five million bushels of wheat. This was the second time we had taken such action since the Pool was organized."

"Some people will naturally ask, why not have taken such an attitude to the market as to have brought our prices in line with those of Argentina? At the time of the drastic decline I speak of in Canadian prices, we found that Argentinian prices simply kept falling away from ours; and even at these low levels there was no sign of touching bottom so far as Argentinian prices were concerned."—*Statement by A. J. McPhail.*

have disproven that European nations increased wheat acreage as a retaliation because important increases in acreage have not materialized even to this day. ⁽¹⁾ Increased wheat production there has been due to larger yields per acre and, in certain years, favourable weather conditions. Enmity of the world grain trade may have had some slight effect, but actually the majority of the grain traders then were optimistic regarding wheat prices and suffered financial losses as serious proportionately as did the Wheat Pool. The subsequent action of eliminating Pool agencies in Europe failed to have the slightest beneficial effect in reviving trade.

The 1930 Pool was conducted on the same basis as in previous years and a temporary initial price of 70c, basis One Northern, was decided on early in the summer. Later this was dropped to 60c, then to 55c, and finally to 50c. Further wearing away of values threatened another reduction, but the federal government stepped into the breach, Hon. R. B. Bennett being then premier. An arrangement was made with the Pools and the banks along with the three provincial governments to place the 1930 Pool wheat together with the carryover from 1929 in the hands of a reorganized Central Selling Agency under the managership of John I. McFarland, of Calgary, a grain man of recognized ability. In June of 1931 the three provincial Pools divided into separate units in so far as future grain handling was concerned. A new policy of operation was inaugurated. The members were released from their contracts, which had compelled them to deliver all their grain to be marketed on a pooling basis, and each grower was given the right to sell on the open market at any time or to pool his grain if he so desired. The elevator systems built up by the provincial Pools placed each one in a position where it could carry on under the new method of operation. Each Pool organization fully and frankly informed its members as to its position. No effort was made at concealment, the whole story of what had occurred being told and the exact financial position being presented. Appeals were made for the continuance of support of the Pool elevator systems in order to clear off the indebtedness incurred by the overpayment and to re-establish the organizations on a sound basis. The response of grain farmers of the prairies the first year the Pools operated on the open market system was remarkable. Those who thought the farmers would turn away from their Pool organizations with a sense of rankling injustice and disappointment found themselves mistaken. In every province Pool elevators were given generous support. The loyalty shown was attributed by Pool leaders to the results of long years of co-operative education among the prairie farm population.

⁽¹⁾ Wheat acreage in important European countries in pre-war years, in 1929 and in 1935:

	<i>U. Kingdom</i>	<i>France</i>	<i>Germany</i>	<i>Italy</i>
Aver. 1909-13	1,890,000	16,500,000	4,050,000	11,790,000
1929	1,670,000	13,340,000	3,960,000	11,790,000
1935	1,880,000	13,210,000	5,200,000	12,390,000

CHAPTER 7.

Federal Government Stabilization

M R. McFARLAND assumed office in November, 1930, with the definite understanding that he was to have a free hand in managing the Canadian Wheat Pool. As each provincial organization had set up a sales department of its own the main responsibility of the Central Selling Agency was the disposition of the Pool carryover from the 1929 crop year and the wheat that had been placed in the 1930 Pool. The wheat on hand at the close of the 1930-31 crop year totalled 76,700,000 bushels.

One of Mr. McFarland's first actions was to close the sales offices established by the Pool in the United Kingdom and continental Europe. He then made vigorous efforts to dispose of the wheat entrusted to his charge. His experiences suggested that the marketing problem was one of extraordinary magnitude and finally in June, 1931, Mr. McFarland recommended to the federal government that a policy of taking hedges in the open market to stabilize prices should be permitted. The federal government consented, and price stabilization operations started under the direct guarantee of the Dominion of Canada. Mr. McFarland's term of office ended in November, 1935, and its record is told in the pamphlet, "The Story of Stabilization," written by him at the end of his term. Summed up, his conclusion was that the open market system had collapsed and in order to permit the grain exchange to function and farmers to sell their wheat the Canadian Wheat Pool, acting for the government, was forced to take the hedges. World wheat trade was disorganized by governmental action in all important wheat exporting and importing countries in an effort to save domestic producers from the effects of disastrously low prices, resulting in the piling up of enormous carryovers. Mr. McFarland's operations resulted in much higher prices for Canadian wheat than those obtained by growers in Argentina and Australia. (1)

The Wheat Pools, while giving Mr. McFarland the friendliest co-operation in his stabilization efforts, contended that a national wheat board was the proper solution for the problem in so far as Canada was concerned. Such an institution, it was contended, would function more efficiently and with less danger of monetary loss than any effort at keeping alive the open market speculative system. Arguments to this effect were presented to the government from time to time, and finally in July, 1935, the Federal Grain Board was formed.

(1) See Appendix page i.

CHAPTER 8.

The Canadian Wheat Board of 1935

A LARGE section of the agrarian population of Western Canada had long been impressed with the desirability of a federal wheat board, and kept up a continual agitation calculated to persuade the government to take the necessary steps towards its organization. During the depression years when the price stabilization operation was struggling against falling wheat values, the Wheat Pools and the organized farmers continually brought representation to bear on the Dominion cabinet in favour of a wheat board. These efforts were opposed by the grain trade, who insisted that the open market system was the only sound way to market Canada's wheat. Their answer to statements that the exchange method of marketing had broken down was that abnormal conditions existed which would disappear in time, and the preservation of a great open market such as the Winnipeg Grain Exchange was a matter of primary importance in years to come, not only to the wheat growers but to all of Canada. They suggested that the government put a "crutch" under the market and permit it to operate without other interference. The government followed this advice, in some respects at least, but the general disorganization of the international grain business made it a hopeless task. In 1935 Premier Bennett's government finally decided to form a wheat board.

The first draft of the Wheat Board Act provided for a national organization to handle all the grain marketed in Western Canada. The grain trade opposed this on the ground that it was a "compulsory pool", and the measure finally passed made it optional whether a grain producer should deliver his wheat to the Board or sell on the open market. However, clauses were inserted in the Act which provided the Board with power to handle all grain delivered upon proclamation of the Governor-in-Council. These powers have never been put into effect.

The Wheat Board was empowered to pay to producers delivering wheat at the time of delivery a fixed price per bushel to be determined by the Board with the approval of the Governor-in-Council. This meant the fixing of a minimum price. At the time the 1935 minimum price was fixed the Wheat Pools, through their representatives on the Advisory Board, which was a committee of seven members, four representing wheat producers, advocated a minimum price of 95c a bushel. Representatives of the trade suggested it would be better to fix a price in the low 70's. The federal cabinet decided on 87½c as a minimum price on September 7th, 1935. The previous day the price of One Northern

wheat was 85½c a bushel. When the minimum price was announced the market rose to 88½c a bushel.

John I. McFarland was appointed chairman of the new Wheat Board, the other two members being D. L. Smith, former manager of the Canadian Wheat Pool, and Professor H. C. Grant of the University of Manitoba. With the defeat of the Bennett government in the October elections of 1935 this Board was discharged, and on December 4th a new Board was appointed by the new Liberal government, with James Murray as chairman and George H. McIvor, former general manager of the Canadian Wheat Pool, and Dean A. M. Shaw of the University of Saskatchewan, as Board members. The Advisory Committee was dispensed with. This new Board took over 298,355,000 bushels of wheat from the stabilization operations, and a further 42 million bushels were delivered by producers from the 1935 crop.⁽¹⁾

The policy of the new Board was announced as one of free selling without price demoralization. Emissaries were sent to Great Britain and Europe in an endeavour to further the sales of Canadian wheat. Every effort was made to dispose of the Canadian surplus. Argentina had suffered a disastrous crop failure in 1935, as also did the United States, the latter country becoming a net importer of wheat for the first time in one hundred years, taking in all during the crop year some 50 million bushels of Canadian supplies. Europe's crop was lower than the previous year and Russia was only a small exporter. The Canadian crop was also small, the prairie provinces having produced only about 260 million bushels of wheat in 1935 as compared with the long term average production of around 400 million bushels. On Friday, December 13th, Argentina fixed a minimum price of 90c a bushel (Canadian funds) for her domestic wheat, and prices on the Buenos Aires exchange jumped 20c. Canadian wheat prices were kept at a parity or below those of other exporting nations during most of the 1935-36 marketing season. In the face of Canada's aggressive selling policy and the absence of competition from Argentina, whose exports dropped 100 million bushels from the previous year, and also with the assistance of substantial imports by the United States, Canada exported 254 million bushels in 1935-36. This was more than 50 per cent. of the total world trade, which was less than 500 million bushels (Broomhall figures) in 1935-36, the lowest figure for many years.

⁽¹⁾ In his evidence before parliamentary committee, March, 1936, Mr. Murray gave figures of the wheat taken over from McFarland regime as follows:

Cash Wheat.....	122,863,000 bus.
Wheat Contracts.....	175,492,000 bus.

298,355,000 bus.

He estimated 42,000,000 bushels as volume delivered to board from 1935 crop after Dec. 4, 1935, which gives a total of 340,355,000 bushels.

Mr. Murray, chairman of the Wheat Board, gave evidence in May, 1935, before a special committee of the House of Commons inquiring into wheat marketing. He said, in presenting a recommendation for a royal commission to inquire into the wheat marketing:

"Until recent years our surplus wheat was absorbed into world trade and no one knew, except in the most general way, just how or where it went. The little consideration we gave to this question ten years ago is not sufficient now."

"World trade which averaged 721,309,000 bushels for the ten years 1920 to 1929 was large enough to absorb the surplus from average crops in exporting countries. This situation no longer exists."

"Our problem for the future then is, briefly: normal crops on present acreage in exporting countries will give from 640 to 740 million bushels exportable surplus. The available market may be only 500 to 550 million bushels."

"How can Canada continue to grow crops of 375 to 425 million bushels and fit into this picture without again piling up unwieldy and burdensome surpluses?"

The 1936 crop season saw another disastrous drouth in North America. The United States wheat crop was cut to 627 million bushels, the spring wheat area having been virtually ruined. Canada's western wheat crop is estimated at approximately 216 million bushels, one of the poorest ever raised. Russia has also suffered from drouth and Europe's crop is lower than the 1935 production by an estimated volume of 50 million bushels. It is estimated that the total world carryover will be down to normal, approximately 600 million bushels, at the end of the 1936-37 crop year. In view of these facts the Wheat Pools asked for a more generous minimum price, and one having some approximation to the cost of production in Western Canada. ⁽¹⁾ The federal gov-

**(1) AVERAGE COSTS OF PRODUCING WHEAT
IN WESTERN CANADA**

In Saskatchewan an excellent survey made by The Western Producer, owned by the Saskatchewan Wheat Pool, provides an impartial and scientific basis for calculating the cost of producing wheat. Saskatchewan is the main wheat producing province of Western Canada. This survey gave average costs of wheat production as follows:

Average cost of production per bushel on half-section farms.....	\$0.92
Average cost of production per bushel on section farms.....	0.78
Average cost of production per bushel on half-section and section farms.....	0.85
Average cost of production per bushel on farm	\$0.85
Average cost including handling and freight to Fort William.....	0.18
Total average cost per bushel to produce and ship to market.....	<u><u>\$1.03</u></u>

ernment, however, decided to inaugurate a complete change of policy in connection with wheat marketing. It was announced on Friday, August 28th, that the minimum Wheat Board price would be 87½c a bushel the same as the previous year, but that the Wheat Board would not be operated; that is, farmers could not deliver their grain to it until wheat dropped below 90c a bushel on the Winnipeg Exchange. In the event of wheat going below 90c, Wheat Board machinery would be put into operation and producers would be entitled to a minimum price of 87½c a bushel.



CHAPTER 9.

Different Attitudes

ENQUIRY COMMISSION

THE POOLS advance the contention that Canada should develop a national wheat marketing policy calculated to secure a price for grain sufficient to provide a reasonable standard of living on the farms of Western Canada; and, that a parity be established between prices of what the farmer requires to buy and the commodities he has to sell. The Wheat Pools maintain that the price question is inextricably bound up with the wheat problem. In that the Pools are distinctly different from all other grain handling concerns in Canada. It was directly due to the Pools' aggressiveness that the western wheat producers gained the 1935 Wheat Board and the minimum wheat price of 87½c a bushel for their 1935 crop. Better prices and a national marketing system are integral parts of the Pools' policy. Another argument advanced by the Wheat Pools is that wheat has become so interwoven with politics in almost every country interested in that commodity, and so many state measures have been adopted to bolster prices and prevent competition in importing countries and to bonus and aid wheat producers in exporting countries, (1) that Canadian wheat producers can not in fairness be expected to carry on without some assistance from the federal government. It is pointed out that the governments of European countries are deeply involved in the grain business and it is hopeless to expect any immediate withdrawal from this position. Attention is drawn to the abnormal situation in the wheat trade, such as for instance the United States, normally a wheat exporting country, becoming the fourth largest wheat importer and Canada's second best customer in the crop-year 1935-36, and Argentina being virtually out of the wheat trade in the same marketing season. Such a state of affairs, it is claimed, can not be expected to last and there is danger of over-production in wheat in the world again becoming a serious problem.

The reply of the Canadian Government to the Wheat Pools is in effect, that bonusing of wheat producers in Canada to any substantial extent is financially impossible; and that the best they can expect is the going world price; that the withholding of Canadian wheat from the market is manifestly wrong from a trade point of view and much too expensive for the country to continue; that larger markets are the obvious solution to the problem and that the government is taking steps to provide for an extension of trade; and, finally, that before a definite policy can be decided upon an investigation of the entire grain trade will be undertaken.

(1) See Appendix page ii, Aid to Agriculture in Other Countries.

Mr. Justice Turgeon of Saskatchewan, who had been chairman of a Royal Grain Enquiry Commission which had reported in 1925, was appointed to conduct the investigation which the government promises will be quite extensive.

Some sixteen investigations into various departments of the grain trade in Canada have been held since 1897. All of these were prompted by complaints emanating from the producers of grain, and they all resulted in the bringing about of at least some beneficial changes in the conditions complained of. The producers' co-operatives have been leaders in instigating reforms, and in this way have made valuable contributions to the cause of the occupation of farming in Western Canada. The Royal Grain Enquiry Commission of 1928, under the chairmanship of Mr. Justice J. T. Brown of Saskatchewan, stated in its report: "In our opinion two of the greatest reforms that have ever been brought about in the interests of the producer of grain in Western Canada were the recent amendments to the Canada Grain Act providing for a reconstituted Board of Grain Commissioners and the application of the new standard for cargoes of spring wheat going overseas. . . . We think it can fairly be said that such reforms as these neither would nor could have been achieved apart from that wave of public sentiment which swept the prairie provinces in 1928, at the center of which was the Pool."

Another Royal Commission was appointed in 1931 by the federal government to enquire into trading in grain futures. Sir Josiah Stamp, G.B.E., noted British economist, was the chairman, and hence this body was known as the "Stamp Commission". This Commission found that futures trading was of definite benefit to the producer in the price he received when it operated in a normal way. Abnormal conditions tended to disrupt the trading machinery, particularly when a lack of speculative activity occurred.

The traditional attitude of governments and business towards grain marketing in Canada is one of "let alone", and is based upon the belief that, having built elevator systems, railways, navigation works and harbor facilities, governments and business have gone as far as they reasonably can be expected to go. That school of thought considers meddling with prices dangerous and believes that wheat producers should be satisfied with world levels, controlled only by the fundamental forces of supply and demand. It is obvious, however, that interference with supply and demand has proceeded to such an extent in so many world countries that, particularly in the case of wheat prices, it does not perform the role assigned to it by the classical economists. It simply does not act as a regulator of supply and effective demand. Furthermore, the laissez-faire doctrine has been generally abandoned in business practices. In 1930 Professor C. R. Fay, eminent British economist, in an address delivered at Toronto, took the cases of petroleum,

copper and ocean freights and said, "Do the people supplying these products or services allow them to take the unhindered course of supply and demand as they were fifty years ago? The answer is emphatically, no! If they did, it would result in smashing of prices and anarchy of production. They not only do try to control the production and price for commodities and services, but they must."

The majority of wheat producers in Western Canada are convinced that it is to their interest that they should have some say as to the price of their product and a measure of control of their own economic destiny. A price that affords a margin of profit is necessary in order that western wheat producers may continue in business.



CHAPTER 10.

International Wheat Agreement

WHEAT prices reached a low point in the fall of 1932, One Northern being quoted at as low as 38c a bushel in November. "Desperate" does not adequately describe the condition of agriculture in Western Canada. The economy of the whole world was shaken by the demoralization of wheat prices. At the conclusion of the London economic convention held in the spring of 1932 it was arranged to hold a conference to consider the international wheat problem. This conference was held in August, its primary purpose being to consider the measures which might be taken in concert to adjust the supply of wheat to effective world demand, and eliminate the abnormal surplus which had been depressing the wheat market and to bring about a rise in prices to a level remunerative to producers and fair to consumers of bread stuffs. In general terms the wheat agreement called upon exporting countries to adjust their supplies to probable import requirements for a period of two years, importing nations agreeing not to increase acreage nor to nullify the effects of the action taken in the exporting countries. To accomplish this the agreement called for exporting countries to limit exports during the 1933-34 crop year to a figure equal to 15 per cent. less than the average outturn on the average acreage during the three years 1931 to 1933, less normal domestic requirements. The importing nations covenanted to lower tariffs on wheat when the international price of wheat reached and maintained for a period of sixteen weeks a gold price of 63.02 cents a bushel, and to accompany tariff reductions with modifications in quantitative restrictions such as milling quotas. Some twenty-two countries signed this agreement, including all the major exporting and importing nations of the world. The four largest exporting countries agreed to share estimated world demand, fixed at 560 million bushels for 1933-34, on a definite quota basis as follows:

	<i>Bushels</i>		<i>Bushels</i>
Canada.....	200,000,000	Australia.....	105,000,000
Argentina.....	110,000,000	United States....	47,000,000

The Danube Basin and Russia were also given allotted quotas, the former being 50 million bushels and the latter not being definitely decided at the time.

In Canada the Wheat Pools considered that the world wheat agreement offered a ray of hope in the dismal outlook. Their representatives suggested that the quota system be carried back to the farm so that there should be no discrimination in allotting a percentage of the market to the individual producer. Reduction of acreage was not proposed as a compulsory measure, that ques-

tion being left entirely to the discretion of the producer. It was suggested that this quota system would provide producers with a definite allotment in the markets of the world and a store of grain from year to year carried as a reserve on the farm available for seed and feed and possibly a marketable surplus in years of drouth or other crop damage. However, the whole agreement was vitiated by Argentina failing to restrict her exports to her allotment during the first year of the arrangement. That country produced a large crop in 1933 and instead of exporting only 110 million bushels the volume was larger than 140 million. The international arrangement was not proceeded with as a consequence of this action. The wheat agreement committee, however, is still in existence and maintains an office in London, England.



CHAPTER 11.

Productivity Worked Against Wheat Producer

THE FARMER has been obsessed with productivity. He has been told that a large percentage of the world's population is undernourished, but even the range of low prices for wheat in 1932 (the lowest reached in three hundred years) failed to teach the lesson that the farmer might produce food for nothing, using his capital and the labor of his family and himself in the process, and still the food furnished would never reach the hungry and undernourished. The cost of transporting and distributing this food is in the aggregate too high and the earnings of the needy too low. No grain company was willing to handle, store and sell the grain for nothing, no railway willing to carry it for nothing, no stevedores to load it on shipboard free of charge, the ship-owners would not carry it free, nor would importers, superintendence companies, millers, bakers or merchants process and distribute the food unless a profit was discernible. Each took a profit, probably small, but the aggregate amounted to a considerable sum, more in all than the total paid to the producer. The only one of that long chain working without profit during the low prices was the producer.

There was plenty of food in the world and hunger and starvation but the very plentitude reacted in a most surprising way. It drove prices down but the needy went unrelieved. In fact it hurt the whole world because the lower food prices went, the less able the agriculturist was to pay his debts, taxes and buy goods. So the makers of goods lost their jobs, employees on railways and ships were laid off, governments cut down because taxes failed to come in and the unhappy circle was complete—all because the farmers raised so much food which was so badly needed by so many.

Examine the difference in the conduct of industrialists during the depression. Industries cut production, closed plants or operated them on part time and defied the law of supply and demand by keeping up prices and cutting production. Had they followed the farmers' lead, production of clothing, shoes, cement, iron and steel products, farm machinery and so on would have increased and price dropped to a level close to that obtaining for agricultural products. But the following table prepared by Dr. Gardiner C. Means ⁽¹⁾ shows how the industrial world evaded the policy of free production and low prices during the depression.

(1) Report prepared for U.S.A. Congress, 1935.

	Drop from 1919 to 1933	Production
	Prices	%
Agricultural Implements.....	6	80
Motor Vehicles.....	16	80
Cement.....	18	65
Iron and Steel Products.....	20	83
Tires.....	33	70
Textiles.....	45	30
Food Products.....	49	14
Leather.....	50	20
Petroleum.....	56	20
Agricultural Commodities.....	63	6

In the first five articles of the list given it will be noticed that prices fell but little while production dropped off rapidly. In the second five items, and particularly in the production of farm commodities, the reverse occurred. Production fell very little while the drop in prices was very heavy.



CHAPTER 12.

The Productive West

GRAIN production is the industry upon which Western Canada depends. The growing of wheat is outstandingly the most important phase of grain production. In the fortunes of the grain producer are involved the fortunes of those who seek a market in the provinces of Manitoba, Saskatchewan and Alberta. The value of the western wheat crop is an accurate index of the purchasing power of the western market.

In the twenty-seven years from 1910 to 1936, inclusive, the value of the grain production of the three western provinces aforementioned was \$10,278,465,000. It is difficult to present such an astronomical figure in a graphic manner. But the vast total of the production of western farms in the period mentioned aggregates \$1,421,868,200 more than the public debts of the Dominion of Canada, all nine provinces and all municipalities and corporations, as reported to the Federal Banking Committee in 1933 (the figure was \$8,856,596,800).

The record by provinces is as follows:

	<i>Manitoba</i>	<i>Saskatchewan</i>	<i>Alberta</i>
Wheat.....	\$1,135,106,000	\$3,959,595,000	\$1,848,827,000
Oats.....	488,343,000	1,088,451,000	654,941,000
Barley.....	341,941,000	203,782,000	133,926,000
Rye.....	43,673,000	67,900,000	31,056,000
Flax.....	37,431,000	203,093,000	17,124,000
Mixed Grains.....	5,230,000	7,195,000	4,851,000
Totals.....	<u>\$2,051,724,000</u>	<u>\$5,536,016,000</u>	<u>\$2,690,725,000</u>
Grand Total.....		<u>\$10,278,465,000</u>	

This stupendous production of wealth on which not only the economy of Western Canada but that of the entire Dominion has been built up was the result of the work of some 250,000 grain producers. It is doubtful if history can record a similar production of such a stupendous total of wealth by such a comparative handful of people in so brief a period of time.

The tragedy of it all is that today the majority of these grain producers are in distressed circumstances, and grain growing sections of the west are seriously depressed areas.

A survey of the tables of production attached herewith which are obtained from the records of the Federal Bureau of Statistics, provides some very interesting information. For instance, the total value of all grains produced in Western Canada for the years 1925 to 1930, inclusive, was \$3,029,284,000. The value of production from 1931 to 1936, inclusive, was \$1,212,197,000. This means that the incomes of the grain producers of these three provinces were reduced as between the two periods by \$1,817,087,000. There lies the kernel of the depression in Western Canada in particular,

and in all Canada in general. Of course, lessened production was to some degree responsible, but the main factor was lower prices.

This elimination of \$1,817,087,000 from the revenue of western farmers has seriously threatened the solvency of the wheat producers and has reduced the western market to a mere shadow of its former self.

From 1926 to 1929, inclusive, wheat and flour were outstandingly the leading commodities in Canada's trade, providing 34.1 per cent. of the total.

The above information illustrates the enormous importance of grain growing to the national life of the Dominion of Canada in a way that possibly has never before been brought home to the people of this country. It has been general knowledge that agriculture was the country's basic industry, but obviously few have realized how tremendously important this industry has been, and is. Surely the welfare of agriculture and grain growing in particular, and the aspirations of those engaged in it should be subjects of friendly and sympathetic support by all the people of Canada.

In order to give a clear conception of the importance of the west in the agricultural picture of Canada, statistics from the Canada Year Book are herewith given, showing acreage and value of Canada's field crops production in 1935.

	Acreage	Value
Manitoba.....	5,962,000	\$ 32,674,000
Saskatchewan.....	20,083,710	114,272,000
Alberta.....	13,451,450	97,696,000
 Total.....	 39,497,160	 \$244,642,000
 All of Canada.....	 56,923,960	 \$506,613,900

It may be seen from the above table that the three western provinces contained 69.38 per cent. of the total acreage in Canada devoted to field crops, and produced crops to the value of 48.28 per cent. of the total of the Dominion.

The total agricultural wealth of Canada in 1934 was reported by the Dominion Bureau of Statistics to be \$5,608,157,000. The total agricultural wealth in the three western provinces that year was given as follows:

Manitoba.....	\$ 431,333,000
Saskatchewan.....	1,235,180,000
Alberta.....	882,725,000
 Total.....	 \$2,549,238,000

The ratio of the agricultural wealth of these three provinces in 1934 was thus 45.45 per cent. of the total for the Dominion of Canada.

Prior to the Great War, Canada was not a great manufacturing country. The requirements of the terrible European conflict in the way of armaments and manufactured products of various kinds resulted in the beginning of an extensive industrial development in Canada. At the conclusion of the war a decision was made that this newly created industrial development had to be provided with sufficient protection to continue its growth. Canadian agriculture, and particularly wheat growing, depending as it does on overseas markets, could not readily be granted a similar measure of protection to that extended by tariffs and bonuses to the country's industries. This placed Canadian agriculture in the disadvantageous position of having to sell its products at world prices and buy what it required in a protected market.⁽¹⁾ Political swings from one party to the other made little difference to the general economic policy of protection for industries and world prices for agriculture.

Farmers felt the injustice of this situation keenly. They also observed that urban life was growing into an increasingly technical civilization, with industries merging into larger and larger operating units placing enormous monetary and political power in the hands of a few people. The trend of farm development is historically individualistic and the boasted independence of the farmers mitigates against the building up of solidarity in class action and viewpoint. The organization of the Canadian Wheat Pools was the first step taken on a comprehensive scale to arouse the grain growers from their class lethargy. The upbuilding of the prairie Wheat Pools was the most advanced step agriculture has probably ever taken on its own account and on such a widespread scale in the history of the world. The Pools insist that western agriculture is entitled to a great deal more consideration than it has received because of its important contribution to the national economy.

⁽¹⁾ See Appendix page iii.

CHAPTER 13.

Agriculture in World Economics

THREE is a degree of unanimity among the outstanding economists of the world that a great deal of the responsibility for the cause of the depression in the first place, and its prolongation in the second place, is attributable to the excessive drop in prices of agricultural products as compared with the prices of the products and services of urban populations, including in the latter manufactured goods, distributing, trading, transportation, government and professional services. Early in the depression The League of Nations appointed a special committee to study "Agriculture as a World Problem". It reported in May, 1931. An extract from the report: "Both in the number of countries and the number of commodities affected the prevailing agricultural depression is without precedent. . . . This widespread depression naturally constitutes a menace to the economic equilibrium of the world owing to the restricted buying power of the largest sector of the world's population. This diminished purchasing power of the farmer is bound to influence the state of the industrial worker all over the world. . . . The farmer's bushel of wheat or bale of cotton buys steadily less of the goods he requires." Summarized, the conclusion of the committee was that the depression of agricultural products was at the bottom of the crisis and the low price of wheat was the principal cause of depressed agriculture. The committee put forth these allegations with respect to the subject under investigation: First, production is not adapted to consumption; second, ordinary marketing facilities are lacking; third, obstacles, mostly in the way of tariffs, obstruct access to world markets; fourth, too wide a spread exists between prices paid to the producer and those paid by the consumer.

Gustav Cassels, eminent economist of the University of Stockholm, comparing the export prices of Sweden's manufactured goods with the import prices of agricultural and other primary products, calculated that in 1931 finished goods had gained 40 per cent. over primary products and the disparity increased later. He mentioned that the same disparity existed in the domestic trade in all countries and the entire world economy had thus been put out of balance. Writing in *Scientific Agriculture*, February, 1934, T. W. Grindley, chief of the agricultural section, Dominion Bureau of Statistics, Ottawa, states: "The wholesale price index of Canadian farm products has been below the general price level on a 1926 basis since June, 1930. . . . Thus between the year 1926 and December, 1933, wheat prices fell 59.7 points while the general wholesale index fell 31.0 points."

Speaking at the World's Grain Exhibition and Conference at Regina, 1933, Sir Albert Humphries, representing the British Millers' Association said: "It is said that those who produce our food and clothing form 70 per cent. of the world's population. Obviously, therefore, the prosperity of the other 30 per cent. depends largely or principally on the 70 per cent. obtaining incomes which enable them to buy more than the bare necessities."



CHAPTER 14.

The 1930 Pool Payment Equalization⁽¹⁾

THE SITUATION in the 1930-31 crop year, from which developed the federal government wheat stabilization policy and the virtual impoundment of some 76,000,000 bushels of Pool wheat to furnish a basis of this operation must be carefully surveyed to provide a fair understanding of what actually happened in the process. In the late winter and spring of 1930 the Premiers of the prairie provinces, supported by a large number of farmers, asked the federal government for a minimum price for the 1930 crop. A series of conferences were held with the Prime Minister of Canada but no definite conclusion was arrived at. At the end of the business year of the Wheat Pools, July 15th, 1930, a tentative initial price for deliveries to the 1930 Pool was fixed at 70c a bushel, basis One Northern at terminals. The crop, of course, was not "made" at that time but some price had to be fixed for the sundry deliveries from farm supplies carried over from the previous year's crop.

During the month of August negotiations were carried on between the Prime Minister of Canada, the Premiers of the prairie provinces, representatives of the banks and representatives of the Pools, for the financing of deliveries to the 1930 Pool. On August 26th, 1930, the banks agreed to finance operations of the 1930 Pool on the basis of an intial payment of 60c a bushel One Northern at the terminal. It was the consensus of opinion that the initial price was a safe figure. The subsequent rapid drop in prices, however, revealed that such was not the case and on October 15th, 1930, wheat was down to 72 1/8c and the Canadian Wheat Pool, the selling agency of the three provincial Pools, reduced the initial price to 55c a bushel. Finally on November 11th, when the Winnipeg cash price for wheat was 65 5/8c, the initial price was dropped to 50c a bushel. But the price trend still continued downward and in December touched a low point of 50 5/8c.

On November 27th, 1930, John I. McFarland was appointed general manager of the Canadian Wheat Pool, his appointment having met with the approval of the banks and the government, as well as the Pools. The price of wheat continued downward, and Mr. McFarland having specified that he should have a free hand, made certain arrangements to counteract the drop. The Wheat Pools were considering reducing the initial payment still further but the Prime Minister of Canada advised the president of the Canadian Wheat Pool, who at that time was A. J. McPhail, since deceased, that it would be inadvisable to drop the initial price below 50c a bushel. The Prime Minister said such an action

(1) See Appendix, page iv, for initial Pool payments and deliveries to 1930 Pool.

would be tantamount to inviting further price declines and would bring ruin upon the Dominion. He also intimated that government assistance would be extended. On the basis of this advice the Pools did not make any further reductions in the initial price. Early in January, 1931, the Prime Minister announced in a speech delivered at Regina that the government would take certain protective action and that Mr. McFarland had been given instructions accordingly.

Thus the 1930 Pool became involved in the federal government stabilization operation. There was an obvious injustice created in the varying initial payments. The Pools pointed this out to the government on a number of occasions and received assurance that an adjustment would be made when an opportune time came.

Finally on October 10th, 1935, announcement was made by L. C. Brouillette, president of the Canadian Co-operative Wheat Producers, that arrangements had been made for the Canadian government to equalize the 1930 Pool payment on the basis of 60c a bushel. The sum mentioned at the time as required to make this equalization was \$8,000,000, this amount being necessary to cover the deficiency in both wheat and coarse grain pools and also to pay the overhead expenses for the Pool year 1930-31. Subsequently the election on October 14th resulted in the defeat of the Bennett government and the return to power of the Liberal party under Rt. Hon. W. L. MacKenzie King. The new government contended that another audit would be required before the payment was made and this was proceeded with. On February 19th, 1936, a measure was introduced and passed through the federal House of Commons providing for the equalization of the 1930 Pool payment. This received royal assent on April 9th. The difference between the \$8,000,000 originally mentioned and the \$6,805,198.97 finally paid was accounted for by eliminating of the payment of Pool expenses in connection with the 1930-31 Pool and reducing the payment on coarse grains to the amounts actually standing to the credit of the coarse grain pools. The distribution of the payment among the three Pools was approximately as follows:—Wheat payment: Manitoba, \$630,293.28; Saskatchewan, \$3,082,945.97; Alberta, \$2,732,336.77. Coarse grains: Manitoba, \$54,833.70; Saskatchewan, \$304,789.25. These sums were immediately paid out to the growers entitled thereto. The Pools, having worked with might and main to secure the equalization payment, were pleased with the gaining of this objective.

CHAPTER 15.

Alberta Pool's Financial Progress

THE PROVINCIAL Pools are now operating their elevator systems and conducting optional pools. Due to the necessarily low initial price the volume of deliveries to these optional pools was limited. However, the elevator systems obtained substantial handlings, and the three Pool organizations started repayment to their provincial governments on the guarantee of the '29 overpayment. The Manitoba government assumed \$1,100,000 of the loss sustained by the Manitoba Pool, but in Saskatchewan and Alberta the Pools shouldered the full loss. Net earnings of Alberta Pool Elevators are as follows:

1930-31	\$414,465.87
1931-32	375,738.63
1932-33	179,054.64
1933-34	78,029.64
1934-35	47,788.40 (deficit)
1935-36	309,513.78

In these six years a deficit was shown only in one year. Since 1932 crops have been substantially below normal in total yield. These earnings have been made after providing for full depreciation on physical properties owned by the Alberta Pool and after paying of all proper charges including interest to the provincial government on the 1929 overpayment.

An analysis of the consolidated balances of Alberta Wheat Pool and Alberta Pool Elevators Limited, as at July 15th, 1936 (the end of the business year) shows financial position as follows:

Position of liquid assets as being in excess of current liabilities was \$4,788,195.77.

Position of bond and mortgage indebtedness showing net assets of \$10,616,072.76 as security against bond and mortgage indebtedness of \$5,610,500.00 and net free assets in excess of all liabilities of \$5,005,572.76.

Position of members' reserves. This shows that the total deductions for elevator and commercial reserves, obtained from members, amounted to \$7,432,250.28. After deducting the liability for the 1929 overpayment the equity the members have in the organization amounts to \$5,005,572.76.

CHAPTER 16.

Conclusion

THE FUTURE of the Wheat Pools rests upon the degree of useful service they can give the wheat producers of Western Canada. As purely co-operative institutions with policies developed by working farmers; with the power provided by a loyal membership; and with comprehensive elevator systems and well-trained and loyal employees, they have the opportunity to render valuable services and to speak strongly and with authority on all important matters affecting not only the handling and marketing of grain, but also the economic interests of western agriculture.

The Wheat Pools have been alive to the opportunity afforded them to be of service to western agriculture in a larger way than the mechanical handling and sale of grain. They speak for the majority of western wheat producers. In this position they feel that the matter of greatest importance is the welfare of the man on the land. Other interests are secondary. In so far as wheat marketing is concerned the producer desires aid and protection only to the extent that governments provide aid and protection for secondary industries. Surely, by any process of reasoning, this cannot be considered unfair!

The Wheat Pools believe that a Federal Board is a necessity for the efficient marketing of Western Canada's grain production. Such a board, the Pools contend, should be thoroughly equipped for the job. It should have available at all times the most complete information concerning the production and consumption of grain in the world, as well as other information relative thereto. It should be in a position to explore the world for markets for Canada's surplus grain production. It should be constantly studying Canada's domestic agriculture with the idea of recommending improvements. Finally, it should market the grain with efficiency and regularity, having in constant mind the best interests of the producers.

The Wheat Pools believe that the making of private gain from the grain handling and selling business of Western Canada should be eliminated and that the profit-seeking system is one of the impediments that stands between the producer and the consumer, leaving both with empty hands; and tends to prevent the free and widespread distribution of goods, commodities and services; and builds up a moneyed aristocracy whose ambition and power react against the welfare and needs of the mass of the people.

APPENDIX**WHEAT POOL ELEVATORS IN CANADA, 1936**

<i>Pool</i>	<i>Country Houses</i>	<i>Capacity</i>	<i>Termin- als</i>	<i>Capacity</i>	<i>Total</i>
Manitoba.....	153	(bus.) 6,350,000	2	(bus.) 3,400,000	(bus.) 9,750,000
Saskatchewan.....	1,085	36,500,000	6	24,917,210	61,417,210
Alberta.....	430	16,500,000	3	8,050,000	24,550,000
Total.....		59,350,000		36,367,210	95,717,210

**CANADA'S GRAIN ELEVATOR CAPACITY
Country Elevators**

	<i>Number</i>	<i>Capacity (bus.)</i>
Manitoba.....	719	22,836,150
Saskatchewan.....	3,231	102,136,700
Alberta.....	1,774	65,684,000
British Columbia.....	12	370,000
Ontario.....	1	40,000
Total.....	5,737	191,066,850

Total elevator capacity in all Canada, including country and terminal elevators, is 419,890,480 bushels.

WHEAT PRICES COMPARED

Monthly average of closing quotations at Winnipeg, Liverpool and Buenos Aires for 1932-33, 1933-34, and 1934-35.

<i>Month</i>	<i>Winnipeg</i>			<i>Liverpool</i>			<i>Buenos Aires</i>		
	1934 and 1935	1933 and 1934	1932 and 1933	1934 and 1935	1933 and 1934	1932 and 1933	1934 and 1935	1933 and 1934	1932 and 1933
July.....	85	79.7	50.2	80	80.5	53.5	57.5	63.7	46.2
Aug.....	87.8	70.6	50.4	89.6	71	57	69.4	58.2	48.6
Sept.....	86	66	48.5	86	70.5	57.2	63.2	58.2	51.5
Oct.....	79.7	58.5	45	76.2	63	54.5	57	53.5	43
Nov.....	79.8	64.2	39.6	72.6	70	50.4	54.2	57.2	41.8
Dec.....	83.5	64.2	39	76.5	68.5	47.7	55.7	52.2	38.2
Jan.....	83.7	67.5	40.5	75.2	67.5	49.2	55.5	52.2	38.2
Feb.....	83.2	68	39.6	72	65.6	47.6	55	52.4	36.2
Mar.....	83.2	68.5	42.5	73.5	66	47.4	57	53.2	35.4
April.....	88.2	67	48	79.5	68.5	51	63.5	54	37.8
May.....	86	72.4	57	77.8	69.4	61.4	61.2	54	45.6
June.....	82.7	79.5	61.2	79	75	65	60.5	55	48.5

The source of this table is the United States Department of Agriculture.
The prices are in United States gold dollars.

APPENDIX**AID TO AGRICULTURE IN OTHER COUNTRIES**

It is difficult to accurately measure in money the aid given wheat growers in various nations by their governments during the past six years in view of the variety of methods used by different countries, which included direct cash bonuses, tariff protection, embargoes on imports, and manipulation of exchange. A survey of the situation recently made has, however, provided the following information:

Europe

France.....	\$ 1,321,020,000
Germany.....	754,370,000
Italy.....	1,211,490,000
Total.....	<u>\$ 3,286,880,000</u>

Great Britain

1932-33.....	\$ 22,026,129.40
1933-34.....	34,956,896.80
1934-35.....	33,176,684.73
1935-36.....	34,935,152.53
Total.....	<u>\$125,094,863.46</u>

Southern Hemisphere

Australia: During the past four years the Australian Government has given subsidies to wheat growers in the form of bounties and grants as follows:

1931-32.....	£ 3,429,000
1932-33.....	2,000,000
1933-34.....	3,053,000
1934-35.....	4,066,000
Total.....	<u>£12,548,000</u>

In addition to the above the Australian Government inflated its money early in the depression, thus giving its wheat growers a decided advantage in world markets over Canadian wheat growers.

Argentina: The Argentinian Government inflated its monetary unit, thus providing its wheat growers with a comparatively high domestic price, and still enabling them to undersell Canadian wheat in world markets. Last fall Argentina established a minimum price for wheat at 90c a bushel.

United States

Up to the end of December, 1935, a total of \$255,624,669.37 was paid as a direct bonus to wheat growers in the United States by the Agricultural Adjustment Administration. In addition to this sum the administration of President Hoover spent a couple of hundred million dollars in market stabilization operations. Further, the present United States Government has bonused the exportation of wheat from certain surplus areas.

APPENDIX**THE COST OF CANADA'S TARIFF POLICY**

The following table shows how each province in Canada is affected by the Dominion's tariff policy. It was prepared by Professor N. Rogers, of Queen's University, Kingston (now Hon. N. Rogers, Minister of Labor in the Government of Canada) for use in his presentation of the case for the Maritime Provinces to a Federal Commission investigating that issue.

	<i>Benefit from Tariff</i>	<i>Cost of Tariff</i>	<i>Net Loss or Gain</i>
P. E. Island.....	\$ 467,992	\$ 2,042,150	\$ - 1,574,158
Nova Scotia.....	9,487,493	15,784,124	- 6,295,631
New Brunswick.....	8,126,059	12,891,077	- 4,765,018
Quebec.....	132,867,447	101,171,562	+31,695,885
Ontario.....	220,722,484	168,732,723	+51,989,761
Manitoba.....	19,910,971	29,185,740	- 9,274,769
Saskatchewan.....	3,275,950	29,228,285	-25,952,335
Alberta.....	8,211,148	27,909,396	-19,698,248
British Columbia.....	22,378,571	37,737,247	-15,358,676
	\$425,448,115	\$424,682,304	

Note.—Different methods of calculation account for the totals of these two columns not balancing exactly.

(-) indicates loss; (+) indicates gain.

What this means to every man, woman and child in each province may be gathered from a table of per capita losses and gains.

Alberta.....	-\$26.93
British Columbia.....	- 22.33
Saskatchewan.....	- 28.16
Manitoba.....	- 13.25
Ontario.....	+ 15.15
Quebec.....	+ 11.03
New Brunswick.....	- 11.67
Nova Scotia.....	- 12.28
Prince Edward Island.....	- 17.88

APPENDIX**DELIVERIES OF WHEAT TO CANADIAN WHEAT POOL, 1924-31**

<i>Crop Year</i>	<i>Pool Deliveries</i>	<i>Total Deliveries in Western Inspection Division</i>	<i>Per Cent Pool Deliveries</i>
	(Bushels)	(Bushels)	
1924-25.....	81,668,348	219,241,130	37.3
1925-26.....	187,364,999	358,715,990	52.2
1926-27.....	179,993,435	338,936,053	53.1
1927-28.....	209,908,536	410,617,091	51.1
1928-29.....	243,929,491	475,711,628	51.3
1929-30.....	121,655,589	236,967,251	52.0
1930-31.....	126,681,488	307,146,626	41.2

WHEAT POOL PAYMENTS, 1925-31

<i>Pool Year</i>	<i>Price Basis (Wheat) (a) Per Bushel</i>	<i>Amount Distributed to Members (b)</i>	
		<i>Wheat</i>	<i>Coarse Grains</i>
1924-25.....	\$ 1.66	\$ 123,398,955	
1925-26.....	1.45	256,943,806	
1926-27.....	1.42	230,767,037	\$15,946,357
1927-28.....	1.42½	246,976,260	14,004,668
1928-29.....	1.18½	232,175,545	21,149,660
1929-30.....	1.00	118,061,964	10,280,085
1930-31.....	.67	72,568,521	5,013,231
Total		\$1,280,892,088	\$66,394,001

(a) Basis No. 1 Northern, Fort William.

(b) Including reserve fund deductions.

In 1923-24 the Alberta Wheat Pool operated alone, handling 34,094,634 bushels and paying \$1.01 basis one northern, giving a total of \$32,939,966.72.

Grand Total Pool Wheat Deliveries 1923-31..... 1,185,296,520 bus.
 Grand Total of Amount Distributed to Members—Wheat..... \$1,313,832,054
 Grand Total of Amount Distributed to Members—Coarse Grains \$66,394,001

1930 POOL PAYMENT ADJUSTMENT

Following is a table showing Pool deliveries on the various price basis during the 1930-31 crop year:

Basis 70c (July 16 to Aug. 26, 1930).....	1,890,927 bushels
Basis 60c (Aug. 26 to Oct. 15, 1930).....	65,191,975 bushels
Basis 55c (Oct. 15 to Nov. 11, 1930).....	20,719,064 bushels
Basis 50c (Nov. 11 to July 15, 1931).....	38,879,478 bushels
	<u>126,681,444 bushels</u>

APPENDIX**WHEAT PRODUCTION AND ACREAGE OF PRINCIPAL EXPORTING COUNTRIES**

(Million Bushels and Acres)

Year	United States		Canada		Australia		Argentine	
	Production	Acreage	Production	Acreage	Production	Acreage	Production	Acreage
1923.....	759.5	56.92	474.2	21.89	125.0	9.54	247.8	17.04
1924.....	840.1	52.46	262.1	22.06	164.6	10.82	191.1	15.98
1925.....	669.1	52.44	395.5	20.79	114.5	10.20	191.1	17.62
1926.....	833.5	56.82	407.1	22.90	160.8	11.69	230.1	18.95
1927.....	874.7	59.63	479.7	22.46	118.2	12.28	282.3	20.20
1928.....	926.1	59.31	566.7	24.12	159.7	14.84	348.1	22.43
1929.....	812.6	62.67	304.5	25.26	126.9	14.98	162.6	15.90
1930.....	858.9	61.25	420.7	24.90	213.6	18.16	232.3	19.53
1931.....	900.2	55.34	321.3	26.20	190.6	14.74	219.7	16.03
1932.....	744.1	57.20	455.0	27.18	212.4	15.17	235.4	17.79
1933.....	527.4	47.49	271.8	25.99	160.0	14.50	256.2	18.80
1934.....	497.0	42.25	276.	24.	133.3	12.6	241.6	17.20
1935.....	623.0	49.83	277.	24.11	142.3	11.8	141.0	14.20
1936.....	627.2	52.4	233.	25.28	120.	12.4	145.0	17.49
Average 1909- 1913.....	690.1	47.10	197.1	9.94	90.5	7.60	147.1	14.88

MEMORANDUM OF ALBERTA POOL'S FINANCIAL PROGRESS

The following is an extract from an address to the Alberta Wheat Pool delegates by R. D. Purdy, general manager of the organization:

At the commencement of the 1931-32 season the Pool had the following obligations:

Province of Alberta 1929 Overpayment.....	\$5,649,000
Bank Loan on Vancouver Terminal.....	1,750,000
Total.....	<u>\$7,399,000</u>

As the result of the operations of Pool elevators over the past five years obligations have been reduced until they stood as follows on September 1st, 1936:

Province of Alberta 1929 Overpayment.....	\$4,900,000
Bank Loan on Vancouver Terminal.....	250,000
Total.....	<u>\$5,150,000</u>

In addition the Pool paid interest during the past five years on these loans as follows:

Province of Alberta Interest.....	\$1,300,000
Terminal Loan Vancouver Interest.....	300,000
Total.....	<u>\$1,600,000</u>

Further the Pool's liquidated assets over this period of five years have been improved to the extent of approximately \$1,500,000.

APPENDIX**ALBERTA'S WHEAT CROP FOR TWENTY-SEVEN YEARS**

<i>Year</i>	<i>Bushels</i>	<i>Valued at</i>	<i>Yield Per Acre</i>	<i>Acreage</i>
1910.....	9,060,210	\$ 6,254,000	9.9	879,301
1911.....	36,602,000	22,544,000	21.6	1,639,974
1912.....	34,303,000	18,459,000	21.5	1,590,000
1913.....	34,377,000	21,009,000	23.0	1,512,000
1914.....	28,859,000	26,403,000	21.0	1,371,100
1915.....	66,538,000	58,325,600	31.12	2,138,031
1916.....	65,088,000	86,600,000	24.9	2,604,975
1917.....	52,992,000	91,941,300	18.2	2,897,300
1918.....	23,752,000	45,604,000	6.0	3,892,489
1919.....	34,575,000	79,945,000	8.0	4,282,503
1920.....	83,461,000	126,861,000	20.5	4,074,483
1921.....	53,044,000	40,765,000	10.3	5,123,404
1922.....	64,976,000	50,031,000	11.3	5,765,595
1923.....	166,834,000	94,143,000	28.0	5,172,643
1924.....	61,312,000	73,575,000	11.0	5,573,813
1925.....	97,962,000	116,735,000	18.3	5,347,972
1926.....	113,986,000	119,686,000	18.5	6,161,383
1927.....	171,286,000	168,003,000	27.4	6,251,000
1928.....	171,000,000	128,511,000	25.5	6,707,527
1929.....	92,534,000	94,385,000	11.9	7,511,215
1930.....	132,900,000	51,831,000	18.5	7,164,000
1931.....	140,603,000	50,617,000	17.7	7,938,000
1932.....	164,000,000	44,280,000	20.0	8,201,000
1933.....	102,334,000	46,050,000	13.0	7,898,000
1934.....	112,500,000	65,250,000	15.0	7,501,000
1935.....	102,000,000	62,220,000	13.6	7,500,000
1936.....	70,000,000	58,800,000	9.3	7,360,000
	2,285,878,210	\$1,848,827,900		

Statistics obtained from Dominion Bureau of Statistics. Basis of value of grain, average yearly price at country delivery point multiplied by total production.

